

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 16, 1995

SUBJECT: **SB 360 - HB 1633**

This bill, if enacted, will prohibit a preferred provider organization from excluding a doctor from participating in that preferred provider's organization solely because such physician is not affiliated with a particular hospital.

The fiscal impact from enactment of this bill is estimated to result in an increase in expenditures to the TennCare Program. The provisions of this bill are estimated to result in an increase in capitation rates since procedures used to control cost by the managed care organizations are affected by this bill. The amount of such increase cannot be reasonably determined but is estimated to exceed \$100,000 in the long run.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director